

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK
RATIONALIZATION SERVICE CHANGES, 2012

Docket No. N2012-1

AMERICAN POSTAL WORKERS UNION, AFL-CIO, NOTICE OF FILING ERRATA TO
REBUTTAL TESTIMONY OF MARC SCHILLER (APWU-RT-2) [ERRATA]
(May 1, 2012)

The American Postal Workers Union, AFL-CIO, hereby provides notice that it is filing corrections to the rebuttal testimony of APWU witness Marc Schiller (APWU-RT-2). These changes are summarized below.

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| Page 3, line 14 | change "sixteen" to "fifteen" |
| Page 4, line 12 | replace "would require" with "involves changing operating plans and" |
| Page 4, line 19 | delete "market" |
| Page 5, line 4 | change "may be very" to "seems" |
| Page 5, line 6 | deleted "the" |
| Page 6, line 4 | change "USPS" to "Postal Service" |
| Page 6, line 9 | insert "(FCM)" after First Class Mail |
| Page 6, line 18 | insert footnote |
| Page 8, line 3 | delete second "very" |
| Page 9, lines 2-3 | change to "We examined documents included in this case as well as previously published or provided by the USPS." |
| Page 10, line 4 | change "perception" to "perceptions" |
| Page 10, line 13 | replace "early in" with "August" |
| Page 10, line 20 | add "overall" to end of sentence |
| Page 11, line 11 | delete "only" |

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| Page 11, lines 17-18 | delete “and meet the stipulations of Title 39,” |
| Page 12, line 2 | move citation to footnote |
| Page 12, line 6 | insert “based on currently available information” after “analysis.” |
| Page 13, line 2 | change “fact,” to “fact” |
| Page 13, line 8 | change “inefficiency” to “efficiency” |
| Page 14, lines 14-16 | delete first two sentences. |
| Page 17, line 12 | insert the following: “First Class Package Service As of January 22, 2012, a substantial portion of First Class Mail parcel volume has been reclassified to the new competitive product included in the most recent product listing as First Class Package Service. Despite the reclassification, service standards will be the same as for First Class Mail Parcels. Therefore, the impacts and risks of the proposed network changes on First Class Mail Parcels (page 15 of this testimony) apply to First Class Package Service as well. However, the USPS will have greater pricing flexibility under a competitive product classification. The risk of First Class Package Service volume diversion will be even greater if the USPS chooses to raise rates more aggressively in the future.” And insert footnote. |
| Page 17, line 14 | change “volume and revenue” to “opportunity” |
| Page 17, line 16 | Change “Federal Register document” to “Federal Register Notice” |
| Page 19, line 22 | change “reveal” to “reveals” and replace “express” with “have” |
| Page 21, line 4 | delete “analysis of” and replace “own market research” with “customer interviews” |
| Page 21, line 6 | delete “Analysis—“ |
| Page 21, line 13 | change “profit” to “overhead” |
| Page 22, line 1 | change “responded” to “respondent” and insert footnote |
| Page 22, line 4 | change “USPS-LR-N2012-1/71” to “APWX-XE-1” and insert footnote |
| Page 22, line 6 | change “profit” to “overhead” |
| Page 23, line 7 | insert footnote after “year.” |

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| Page 23, lines 8-9 | change “60%”, “30%” and “7-8%” to “51%”, “32%” and “11-12%” respectively |
| Page 24, line 9 | change “B to C” to “B2C” |
| Page 24, line 17 | change header to “Overnight/Ground Parcel Segment” |
| Page 25, line 5 | change “150” to “250” |
| Page 26, lines 3-10 | change “B to C” to “B2C” and “B to B” to “B2B” |
| Page 28, line 9 | change “essentially limit” to “confine” |
| Page 29 | Replace Table 3 and insert footnote |
| Page 30, line 1 | insert “of” after “number” |
| Page 30, lines 12-19 | replace with “First Class Mail and First Class Package Service fill a clearly defined parcel niche – parcels under 16 ounces - with virtually no competitive pressure. With few exceptions, the volume in this segment accrues to the USPS by default. While Parcel Select may appear to offer a competitive alternative, it is effectively a means for the USPS to outsource sort and transport activities. By adjusting Parcel Select pricing levels, the USPS can greatly influence the volume levels of Parcel Direct relative to First Class Package Service. Among products weighing less than 16 ounces, only high value and tightly regulated/controlled shipments are likely to be delivered by competitors. The primary exception arises when shippers with very few lightweight packages find it easier to allow a single carrier, usually FedEx or UPS, to move all of their parcels. In that case, the lightweight parcels are simply tagalongs that do not drive shipping decisions. |
| Page 31, line 15 | Add “to” after “equating” |
| Page 33, line 11 | change “B-to-C” to “B2C” |
| Page 33, line 23 | change “parcel select” to “Parcel Select” |
| Page 34, line 2 | add “consolidators” after “parcel” |
| Page 34, line 8 | change “buy” to “by” |
| Page 35, line 2 | delete “very” |
| Page 35, line 21 | change “consolidation” to “network rationalization” |
| Page 36, line 5 | change “Matter Experts” to “matter experts” |
| Page 36, line 19 | change “will it” to “it will” |
| Page 37, line 8 | change “future” to “an” |

App. 1, p 43 bottom

change “regionals” to “regional carriers”

App. 3, p 65 middle

change “commercial” to “third party operators as is currently the case.”

The APWU is accordingly filing a complete version of the Mr. Schiller’s testimony as a replacement, with today’s revision date noted in a footer appearing at the left margin.

Respectfully submitted,

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